

## Message Text

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15

ACTION EUR-12

INFO OCT-01 ISO-00 PM-04 NSC-05 SP-02 SS-15 CIAE-00 INR-07

NSAE-00 L-03 SAM-01 OMB-01 /051 W

----- 095680

R 261638Z AUG 75

FM AMEMBASSY MADRID

TO SECSTATE WASHDC 2831

INFO 16TH AF/JAG TORREJON SPAIN

JUSMG/MAAG SPAIN

SECDEF WASHDC

USCINCEUR VAIHINGEN GERMANY

C O N F I D E N T I A L MADRID 5964

E.O. 11652: GDS

TAGS: MARR, MILI, SP

SUBJ: G-3 TARIFF (SPANISH BASE NEGOTIATIONS)

SUMMARY: FOR THE FIRST TIME SINCE THE QUESTION OF THE G-3 TARIFF WAS SPECIFICALLY RAISED IN THE BASE NEGOTIATIONS BY THE SPANISH, WE ARE CONFRONTED WITH A DEMAND BY A SPANISH PORT AUTHORITY FOR IMMEDIATE PAYMENT OF THE TARIFF. WE HAVE NO REASON TO BELIEVE THAT THIS DEMAND IS RELATED TO THE NEGOTIATIONS. OUR INITIAL APPROACH TO THE FOREIGN MINISTRY MET WITH A REASONABLY SYMPATHETIC RESPONSE ON THE ISSUE OF NOT DEMANDING PAYMENTS WHILE THE G-3 IS UNDER ACTIVE NEGOTIATION. HOWEVER, IT REMAINS TO BE SEEN WHAT THE OUTCOME WILL BE, SINCE PORT AUTHORITIES ENJOY CONSIDERABLE INDEPENDENCE IN SUCH MATTERS. END SUMMARY.

1. THE EMBASSY HAS RECEIVED THROUGH THE JUDGE ADVOCATE GENERAL AT TORREJON, AND THE ARMY TRANSPORT OFFICER AT CADIZ, A COPY OF A NOTIFICATION ADDRESSED TO THE SEAL AND CORPORATION'S REPRESENTATIVE IN ALGECIRAS FROM THE PORT AUTHORITY AT ALGECIRAS-LA LINEA THAT THE G-3 TARIFF MUST BE PAID ON THREE SPECIFIC SHIPMENTS INVOLVING MILITARY CARGOES FROM APRIL AND MAY OF THIS YEAR. THIS PAYMENT IS TO BE MADE, ACCORDING TO THE NOTIFICATION, WITHIN A MAXIMUM PERIOD OF 15 DAYS  
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FROM THE DATE OF RECEIPT OF THE NOTICE (19 AUG), AFTER WHICH LEGAL

ACTION WILL BE TAKEN INVOLVING SURCHARGES, AS WELL AS A CUT IN SPECIFIC SERVICES AVAILABLE AT THE PORT. IT STATES FURTHER THAT PAYMENT MUST BE MADE WITHIN THE 15 DAY PERIOD, REGARDLESS OF WHETHER OR NOT AN APPEAL IS PRESENTED.

2. THIS IS THE FIRST TIME TO OUR KNOWLEDGE THAT THE G-3 TARIFF HAS RAISED ITS UGLY HEAD IN THIS WAY IN ALGECIRAS, AND REFLECTS THE MOVE BY SEALAND OF CERTAIN FACILITIES FROM CADIZ TO ALGECIRAS LAST SPRING. THIS ALSO APPEARS TO BE THE FIRST INCIDENT INVOLVING CONTAINERIZED CARGOES AT THESE PORTS. THE TOTAL AMOUNT INVOLVED IN THIS CASE IS 108,962 PESETAS (ABOUT \$1,878). THE DEMAND FOR PAYMENT CONTAINS THE STATEMENT THAT "THE AMOUNTS CHARGED CORRESPOND TO SERVICE CHARGES AND NOT TAXES, NOR ANY OTHER REVENUE CHARGES."

3. ON AUGUST 26 POLMIL COUNSELOR RAISED THIS MATTER ORALLY AT THE FOREIGN MINISTRY WITH THE DIRECTOR OF NORTH AMERICAN AFFAIRS, WHO ALSO REPRESENTS THE SPANISH GOVERNMENT ON THE PERMANENT SECRETARIAT OF THE JOINT COMMITTEE ON DEFENSE MATTERS. POLMIL COUNSELOR REQUESTED ASSISTANCE IN OBTAINING AT LEAST A BREATHING SPELL IN THIS CASE SINCE THE G-3 TARIFF HAS BEEN INTRODUCED BY THE SPANISH INTO THE PRESENT BASE NEGOTIATIONS. ALSO SUGGESTED THAT, WHILE IT MIGHT BE POSSIBLE TO ESTABLISH AN ESCROW ACCOUNT SIMILAR TO THAT USED AT CADIZ, THIS COULD PROBABLY NOT BE ACCOMPLISHED WITHIN THE TIME FRAME SET BY THE ALGECIRAS PORT AUTHORITY.

4. WE HAVE BEEN AUTHORIZED BY THE DIRECTOR OF NORTH AMERICAN AFFAIRS TO INDICATE TO THE PORT AUTHORITY THAT THE FOREIGN MINISTRY HAS BEEN APPRISED OF THIS MATTER INVOLVING PAYMENTS NOT MADE UP TO NOW ON CARGOES DESIGNATED FOR U.S. FORCES IN SPAIN. FURTHER, THAT THIS MATTER IS NOW UNDER ACTIVE NEGOTIATION BY OUR TWO GOVERNMENTS AND THAT THE PORT AUTHORITY COULD EXPECT TO RECEIVE INFORMATION THROUGH NORMAL OFFICIAL SPANISH CHANNELS WHEN A DECISION HAS BEEN REACHED.

5. THE DIRECTOR ALSO SUGGESTED THAT IT SHOULD BE HELPFUL IN THIS CASE IF SEALAND WERE TO INDICATE TO THE PORT AUTHORITY ITS WILLINGNESS TO ESTABLISH AN ESCROW ACCOUNT SIMILAR TO THAT USED IN CADIZ.

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6. HE ASKED THAT HE BE INFORMED OF THE REACTION TO SUCH AN APPROACH AND VOLUNTEERED TO RAISE THE MATTER WITH THE MINISTRY OF FINANCE SHOULD IT PROVE NECESSARY.  
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